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Addendum

CHANGE MANAGEMENT: UNDP 2001

Framework for consultations with the Executive Board

SUMMARY

Building on major reforms approved by the Executive Board during 1994-1995, UNDP has been undergoing a process of managed change since mid-1996 in order to align its internal capacities with its new vision, mission and goals. The present document sets out the main proposals arising from the latest phase of the change process.

The proposals address, inter alia, the need to: (a) empower country offices in order to provide quick, responsive development services to help programme countries to achieve their objectives in sustainable human development (SHD); (b) enhance the quality and impact of programmes and services within the main areas of focus adopted by UNDP, drawing more fully on its experience at the country, regional and global levels; and (c) create a more coherent, accountable and cost-effective organization with stronger leadership styles, more efficient decision-making and implementation processes and a culture of trust, professionalism and teamwork among staff.

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I. INITIATIVES FOR CHANGE: ROUND ONE, 1994-1995

1. Beginning in 1994, the United Nations Development Programme (UNDP) launched an unprecedented array of reforms aimed at recasting its mission, priorities, programming arrangements and other defining characteristics. The aim was to reposition the organization on three fronts: (a) as an effective partner in the new environment for development cooperation emerging after the cold war; (b) as a unifying and coordinating force to strengthen United Nations support for development; and (c) as an effective voice for a revitalized system of international development cooperation. These changes were undertaken simultaneously with accelerated efforts to build a leaner, more efficient and more accountable organization.

2. These changes were made possible by a high level of collaboration between UNDP and its Executive Board. In February 1994, the Administrator presented the case for change at UNDP to the Executive Board. At its annual sessions in 1994 and 1995, the Executive Board responded by providing new directions for UNDP on three levels: globally, as a leading advocate for international cooperation in sustainable human development (SHD); within the United Nations system, as a unifying force for SHD; and at the country level, as an advocate and partner for the achievement of SHD in line with country priorities. The new UNDP charter is captured in the SHD framework (see annex I) and in its Mission Statement, approved by the Executive Board in 1996. The 1994-1995 reorientation of the basic UNDP mandate, programming arrangements and enabling legislation by the Executive Board is the most far-reaching development in the history of the organization since General Assembly resolution 2688 (XXV) of 11 December 1970 (the "Consensus").

3. UNDP has moved aggressively to implement this legislation, system-wide legislation such as that in General Assembly resolutions 47/199 and 50/120, the UNDP budget strategy and other accountability and efficiency measures. The directions of change needed in the organization have been detailed in the UNDP plan for 1995 and for 1996-1997, and in numerous other documents. As a result, major change in UNDP is an ongoing reality. UNDP has taken action in six specific ways.

4. First: Focusing UNDP on high-priority development objectives:

(a) UNDP's commitment to giving overriding priority to poverty eradication has taken root. UNDP is now working in some 80 countries to assist in the development or implementation of integrated national anti-poverty strategies. An analysis of resources approved for programming in 1994 and 1995 showed that 39 per cent of core funding goes directly to poverty eradication and livelihoods; 32 per cent to good governance; and 21 per cent to environment;

(b) Because SHD requires responsive, effective and capable governance, UNDP strengthened its role in helping to build capacities in Governments and in civil society for policy formulation and programme implementation, including broad participation by those affected by development decisions;

(c) UNDP is committed to providing its resources to the most needy countries: 60 per cent of core resources are now directed to the least developed countries and nearly 90 per cent to countries with annual per capita incomes of $750 or less;

(d) The core of UNDP anti-poverty work lies in empowering the poor, including assistance in providing the poor with access to productive assets such as credit, skills, legal rights, job opportunities, natural resources and links to national and international markets. While the United Nations Children's Fund (UNICEF) and the United Nations Population Fund (UNFPA) concentrate on basic social services in health, education and family planning, UNDP focuses on family livelihoods. Other UNDP themes - the advancement of women (70 per cent of the poor), environmental regeneration and job creation - increasingly support this anti-poverty focus.

5. Second: Strengthening the impact and responsiveness of the UNDP programme:

(a) In 1995, UNDP introduced an incentive-based system for the allocation of core resources among countries to replace the outmoded entitlement-based method;

(b) With aid resources limited, UNDP has reoriented its programme to support high-leverage interventions in areas of priority to programme countries. This new orientation typically involves a shift upstream to greater policy dialogue and the use of the programme approach, which stresses broad, country-driven initiatives and sector strategies. To accomplish its new objectives, it has been essential to strengthen UNDP substantive capacities with, for example, experts in country offices on HIV/AIDS, gender, economics and environmentally sustainable development. Simultaneously, the mandate to stress national execution has continued the dramatic shift in UNDP delivery arrangements;

(c) Special measures have been introduced to improve the use of technology to foster development, including support for widespread access to the Internet. UNDP has created the Sustainable Development Networking Programme (SDNP), which links more than 5,000 institutions, including government bodies, non-governmental organizations (NGOs), the private sector, universities and individuals in 30 countries through electronic and other networks;

(d) More than 50 countries have been assisted in the preparation of national human development reports that act as springboards for new policy focus. This effort is one of many important outcomes of the global Human Development Report.

6. Third: Building a leaner, more accountable organization:

(a) As a result of its cost-cutting drive, UNDP has reduced its administrative budget by 19 per cent in real terms (1992-1997) and has decreased total regular staff by nearly 15 per cent, with regular staff at headquarters cut by 31 per cent. These changes were driven primarily by the desire to maintain maximum resources for UNDP programme countries;

(b) UNDP has put in place and enforces procedures that impose personal liability for loss to the organization and penalize infractions of financial or other rules;

(c) UNDP country offices in Asia and Africa are now independently audited by leading international accounting firms, a practice that will soon be applied everywhere;

(d) UNDP has instituted transparent, peer-review procedures for staff evaluations and in hiring, promotion and assignment decisions. Special policies have been adopted to promote gender equality within the organization;

(e) UNDP has invested heavily in training and staff development to maximize its human resource capabilities. A competency-based human resource strategy is now in place. Special measures have been taken to enhance career development for General Service and National Professional staff, who constitute the majority of UNDP personnel.

7. Fourth: Supporting the United Nations system and resident coordinators:

(a) UNDP has moved to strengthen the resident coordinator system by opening it to candidates from other United Nations funds and programmes; by providing operational funding for resident coordinator work per se; by expanding training programmes and substantive backstopping; and by providing tighter management and personnel and performance evaluations. UNDP has sought to move the focus beyond coordination as information-sharing to coordination as goal-oriented United Nations collaboration;

(b) Resident coordinators are supporting the preparation of country strategy notes in 87 countries. UNDP programming cycles have been harmonized with those of other United Nations funds and programmes in 27 countries, with substantial progress in another 55. Other harmonization initiatives, such as those on budget and country programme presentations, are well under way. By 1997, common premises for United Nations organizations will exist in 45 countries.

8. Fifth: Enhancing UNDP service to people in crisis:

(a) Recognizing that almost half of the assistance now being provided by the United Nations is humanitarian relief, UNDP has determined to reshape itself so that it can be the strongest possible development partner for the United Nations relief agencies. Special procedures, training and funding (target for resource assignment from the core (TRAC) line 1.1.3) have been targeted to enhance UNDP work in 25 countries in special development circumstances;

(b) The UNDP Emergency Response Division has been enhanced to backstop the resident coordinator and country teams in a variety of pre-crisis, crisis and post-crisis situations. New, more flexible rules and procedures have been adopted for use in these special circumstances. Rosters of specially qualified personnel are being developed. UNDP has also made a major commitment to support the Department for Humanitarian Affairs by working to ensure that the resident

coordinator in place in complex and other emergencies has the training and experience to serve as the United Nations Humanitarian Coordinator.

9. Sixth: Building new partnerships for development cooperation:

(a) UNDP recognizes that much of what the United Nations seeks to accomplish rests with civil society and has, therefore, moved to strengthen its involvement with NGOs, the private sector and civil society organizations (CSOs) of all descriptions. UNDP has adopted policies and rules to facilitate direct NGO implementation of UNDP projects and to promote maximum involvement of civil society groups in UNDP work;

(b) UNDP has forged an extensive set of inter-agency agreements, including those with the Food and Agriculture Organization of the United Nations (FAO), the International Monetary Fund (IMF), the International Office for Migration (IOM), the Office of the United Nations High Commissioner for Refugees (UNHCR) and the United Nations Industrial Development Organization (UNIDO), and the regional economic commissions. A new Global Environment Facility (GEF) instrument has been approved, and the UNAIDS agreement negotiated and signed. A Memorandum of Understanding has been signed with the World Bank on coordination in round-table and Consultative Group countries. The UNDP-World Bank partnership extends from collaboration on global initiatives such as the Joint and Co-sponsored United Nations Programme on HIV/AIDS (UNAIDS), the integrated follow-up to United Nations conferences and the United Nations System-wide Special Initiative on Africa, to strengthened in-country collaboration on projects such as the Aral Sea clean-up and support for the Middle East peace process through development.

II. INITIATIVES FOR CHANGE: LAUNCHING ROUND TWO, 1996-1997

A. Why another round of change?

10. The many new arenas for action established by the Executive Board and UNDP management have produced exciting and far-reaching results. In the very process, however, serious shortcomings and weaknesses have surfaced within UNDP that act as constraints to realizing the organization's new objectives. It became clear that the Executive Board's far-sighted redefinition of what UNDP does "outside" requires a far-reaching management redefinition of how UNDP does its work "inside". In other words, a further round of change is needed, not to revisit the new directions adopted in round one, but to realize them. To this end, UNDP's senior managers have identified the following priority objectives for this next round of change:

(a) To build a renewed organization - one with new organizational processes and simple and clear procedures; one that gets decisions made and implemented with efficiency and fidelity - so that UNDP can move quickly in the many directions of change that have been established;

(b) To align UNDP values, capabilities and structure with its new primary mission to help to eradicate poverty through SHD; and to overcome internal capacity constraints that limit efficiency and effectiveness;

(c) To improve leadership styles and establish among all staff a strong culture of efficiency, trust, learning, results-orientation, quality assurance and accountability. In support of that objective, to streamline and strengthen UNDP internal management systems, planning, budgeting and programming processes, as well as its databases, quality control, monitoring, reporting and evaluation mechanisms;

(d) To review and restructure UNDP corporate and operational functions in order to provide the most cost-conscious, efficient and effective service to programme countries, the United Nations and the international community; to that end, to create a flatter, leaner and more responsive organizational structure through managed decentralization, integrated diversity and networking in order to exploit the full potential of UNDP experience at the country, regional and global levels; and to acquire those core competencies that the organization requires to deliver development services with distinction.

11. Addressing the Executive Board at its annual session 1996, the Administrator informed delegations that UNDP had launched a formal, professionally facilitated change management process. Symbolically named "UNDP 2001", it was intended to accelerate and intensify the directions that UNDP had recently adopted, in particular by aligning its internal functions, processes, systems and structure with its new mandate.

B. The UNDP 2001 process

12. Staff have had a strong voice in the UNDP 2001 change process. The 21-member Change Management Committee, representing staff from different levels of the organization, has overseen activities and encouraged staff involvement. An experienced Resident Representative has led a small core team of three professional and three support staff whose responsibility has been to keep these efforts coordinated. Seven project teams worked part-time for three months on the areas identified as most critical for the organization's future: strategic development services; efficiency, results-orientation and accountability; human resources; information management; communication and external affairs; funding strategies and partnerships; management and organizational structure. Twenty resident representatives from all regions were involved in these teams; twice that number were consulted frequently. Each project has undergone four stages: problem definition; mapping and analysis; benchmarking; and the design of preferred solutions.

13. Management consultants and visiting experts have been brought in to help to design the process and facilitate the work. They include: a Swedish firm with a successful record of restructuring private companies, which helped in the design and start-up of the overall change process, and whose former chief executive officer continues to advise UNDP 2001; a Canadian expert on change management; an American expert on public sector change; and a leading information technology management group from the United States. In all, so far nearly 24 person-months of expert services have been mobilized. The views of NGO and private sector representatives were also canvassed. Lessons have been drawn from the change processes of several other United Nations organizations, notably those of UNICEF, UNHCR, the World Food Programme (WFP) and the World

Bank, as well as from the Efficiency Promotion Board of the United Nations Secretariat. These processes have been extensively studied, and the recently expressed views of the Executive Board have also been taken into account.

14. Governments have actively supported the change process. In addition to earlier funding of eight Centres of Experimentation (COEs) in the field, the Government of Sweden has contributed funds to cover external consultants and workshops. The Government of Denmark has agreed to finance new approaches to capacity development through three COEs. The Government of the Netherlands has provided the advisory services of the Deputy Secretary-General in its Ministry of Foreign Affairs. The Government of the United Kingdom funded innovative work by the Sustainable Energy and Environment Division. Several other donors have also expressed interest in the change process (including the Governments of Germany and Japan), which will be taken up during implementation.

15. UNDP recognizes that change is a process, not an event. Its action must be implemented on a wide front over time. Yet, decisive moments of change must be met at the right time with clear decisions. UNDP also believes that to reform is not merely to reorganize; rather, it is the way the organization works that must change.

III. MOVING TOWARDS 2001: THREE DEFINING CHARACTERISTICS OF THE NEW UNDP

16. Presented below are proposals arising from the design phase of the change process. Collectively, they form a framework for consultation with the Executive Board. While the proposals outlined here do not in general require Board action, the Administrator is eager to have the advice and views of Board members, some of whom have experience in change processes of this type. It should be stressed that what follows here is a summary and that annex II contains more detailed recommendations. An implementation plan will be made available to the Board as a conference room paper at its 1997 annual session.

17. Throughout, UNDP has acted in the spirit that reform within individual parts of the United Nations system such as UNDP is a major aspect of the reform of the United Nations itself. UNDP is committed to building a more effective and efficient United Nations development system and believes that the proposals presented here support that objective and are open to a variety of reform outcomes regarding the United Nations as a whole. The proposals establish a firm direction for internal change and cover three broad areas.

A. Country focus: providing high-quality development services, quickly and responsively, to meet the SHD needs of programme countries

18. Vision. The host country Government has the most leverage to impact on the lives of the poor and the achievement of SHD. This orientation gives strategic focus to the work of UNDP within the SHD framework. UNDP value-adding services are tailor-made to fit country needs within this framework, and the impact on capacity for governance for SHD is the overriding criterion for UNDP product

development and programming. The UNDP network of partnerships and collaborations - with the private sector, CSOs, development experts, development and other international organizations - all draw strength from this focus. To realize this vision, UNDP must dramatically strengthen both its network of country offices and its capacity to mobilize resources for the countries it serves. Other initiatives presented in the sections that follow also contribute to this objective.

1. A major empowerment of UNDP country operations and support to the resident coordinator system

19. In future, around the world, the UNDP country office will be a key development centre and the nucleus of more coherent United Nations system country-level operations. Country offices will have tools and resources, not just tasks. They will be far less encumbered by bureaucratic rules and procedures and will concentrate on strategic work. They will be empowered to take managerial, staffing and technical decisions within corporate policies and rules. Country offices will be substantive resources as well as centres of operations, and will aggressively mobilize funds on behalf of programme countries.

UNDP country-level operations

20. Seven changes will ensure the efficiency and effectiveness of UNDP country-level operations of the future:

(a) By the end of 1999, UNDP will redeploy to the field a significant percentage of the Professional staff currently at headquarters. This will enhance professional strength at the subregional and country level and place more staff where they are most needed. UNDP will also enforce the compulsory rotation of career-track staff in the framework of its reassignment and gender policies;

(b) UNDP-sponsored project personnel around the world constitute a major, frequently overlooked in-country development resource. UNDP will empower over 33,000 UNDP-financed project personnel, integrating them with the 6,000-strong UNDP staff in a United Nations-driven knowledge system;

(c) Country offices will have full approval authority over subprogrammes and projects within country cooperation frameworks. Their capacity to identify, formulate and appraise projects will be reinforced;

(d) UNDP will reverse the current 60:40 ratio of time spent on administrative versus professional tasks in country offices. It will ask offices to outsource non-strategic administrative functions such as payroll, travel and transport services, and eliminate trivial rules and procedures. Its management information system will support real-time headquarters monitoring by establishing a non-obtrusive window into country office databases, halving the 150-plus reports each office produces annually;

(e) Headquarters will shorten its response times to matters upon which it must decide, establishing a standard turnaround of not more than five days to act on country office requests. Country offices will be supported by a single point of inquiry at headquarters for all pending matters on which decisions are needed. That point will be in the regional bureaux;

(f) Country offices will take part directly in the Administrator's Executive Committee. To receive advice and feedback on matters affecting operations in the regions, the Executive Committee will convene twice a year in expanded sessions with a panel of resident representatives selected by their field colleagues;

(g) Country offices will be assisted by the proposed creation at headquarters of an Operations Support Unit, to promote common inter-bureaux approaches and to field support teams.

21. UNDP will enhance the substantive capacity of country offices by locating technical support resources closer to them - a major step in the reform process. It will establish between 12-15 subregional resource facilities to organize demand-driven technical support for country offices and provide focal points for collecting and disseminating best practices in SHD. This will shorten response times and give country offices more access to relevant and proven expertise. Expert networks organized by these facilities will build on, not reproduce, existing knowledge networks, including those managed by international NGOs.

22. Procedures, manuals and instructions are being streamlined. Country offices will also have quicker access to special-purpose funds managed centrally. Management systems will progressively shift from ex-ante to ex-post controls. This will move the focus of the UNDP oversight system away from the control of inputs towards the assessment of results and impact.

23. UNDP will improve country office human resources and recognize the key role of national officers. It will: (a) provide national officers with professional and management training and improve career prospects, mobility and recognition; (b) strengthen performance in crisis countries, by building special human resources capabilities and rapid deployment mechanisms; (c) expand the use of contracts for activities of limited duration (ALD) by country offices to fill gaps in skills and of direct Development Support Services funds to hire high-calibre national experts in focus areas; and (d) deploy new staff/posts relocated from headquarters for strategic functions such as substantive programme development, knowledge-generation, advocacy and policy dialogue.

24. UNDP will raise overall performance levels in the field by establishing twinning and mentoring relationships through which high performing country offices will help weaker ones to develop.

25. To ensure the cost-effectiveness of the field network, UNDP is exploring alternative configurations for country offices since universality need not mean uniformity of structure or representation.

The resident coordinator system

26. The success of the resident coordinator function, which is wholly funded and primarily backstopped by UNDP, depends on its usefulness to programme country Governments and the entire United Nations system's commitment to it. The United Nations system needs further intergovernmental legislation to enable resident coordinators to operate more effectively; UNDP will seek further clarification of the responsibilities of the members of the country team. It will also promote the development of a shared vision for sustainable development, tailored to country circumstances, with specific operational objectives to be pursued by the United Nations system. This vision and the objectives set to achieve it will serve as the basis for assessing the United Nations system's performance at the country level.

27. Increasingly, the UNDP office will act as a United Nations office. Under the direction of the resident coordinator, the office will be supported by cost-shared, inter-agency mechanisms and local thematic groups. Resident coordinators will be asked to involve the United Nations system in the preparation of national human development reports or equivalent analytical documents. They will also foster the development of common United Nations positions and common country assessments and the establishment of common United Nations databases of economic and social indicators. These common databases will enable and support joint strategic planning exercises of funds and programmes, leading to more coordinated and cost-efficient programming. UNDP will mobilize more support from United Nations partners for common systems and services, aiming at a more integrated and cost-effective United Nations administrative infrastructure.

28. At headquarters, UNDP will establish more responsive operations support for the resident coordinator system, with clear reporting lines and a strong watch over performance. The Office of United Nations System Support and Services (OUNS) will become an inter-agency office dedicated to the management and support of the resident coordinator system. It will be strengthened through the secondment of senior officials from other agencies. OUNS will provide, on behalf of the Administrator, the oversight of the resident coordinator system with responsibilities, inter alia, in the competency-based selection and appraisal of resident coordinators; in the harmonization of programming policies and procedures; and in the management of financial resources to support resident coordinator functions. It will also establish a mechanism for sharing best practices in coordination among country offices.

29. UNDP will further recast its own programme to facilitate the collaborative efforts of the United Nations system at the country level. UNDP support for integrated anti-poverty strategies, for national human development reports, for integration and community development initiatives, for round-table and Consultative Group meetings, and for aid coordination all provide opportunities for United Nations system collaboration.

2. A major commitment to mobilizing resources on behalf of programme countries

30. Without growth, UNDP cannot effectively support the achievement by programme countries of their objectives in SHD, nor translate into high-impact development interventions the ideas that are the foundation of its identity. Core resources are the bedrock of UNDP programme funding while non-core resources represent important opportunities for growth. A meaningful growth strategy for UNDP 2001 will be to keep core funds at a level consistent with UNDP universality, impartiality and poverty orientation. It will also pursue those opportunities provided by earmarked funding. All contributions should fit and support a coherent SHD framework. At the same time, the current delivery situation must be rectified.

31. Every UNDP country office must become a resource mobilization centre. UNDP must be known as a good investment in meeting future development challenges. It must raise money through performance at the country level. But the long-term challenge of mobilizing programme funding is more comprehensive. UNDP will therefore continue to address, globally and locally, the need to revitalize development cooperation, increase official development assistance (ODA) and build a new framework for development cooperation. To serve programme countries effectively, UNDP envisages a goal of doubling its total resource base over a five-year period. Efforts will focus on country-level resource mobilization. UNDP will:

(a) Move aggressively on the 1996 delivery strategy and targets to support programme build-up and to improve delivery rates in particular countries;

(b) Set global, regional and country resource mobilization targets and define staff incentives for achieving them;

(c) Create a system of incentives for payment of government local office contributions, counting government in-kind contributions as valid payments and charging TRAC resources in cases of non-payment;

(d) Adopt new, simpler, more flexible and decentralized agreements for trust funds, government and third-party cost-sharing;

(e) Develop and apply an appropriate corporate policy and flexible guidelines for private-sector funding and private-sector development partnerships;

(f) Reassess and improve UNDP outreach to major donors through consultations with capitals and donor representatives;

(g) Place UNDP staff in the World Bank and other international financial institutions (IFIs) on exchange, secondment or via programmes to build up relations;

(h) Develop and implement a new strategy for approaching emerging, as well as traditional, donors.

32. In many crises, there is a need to promote greater complementarity between relief inputs and development assistance. UNDP can provide that vital link. The development of the expanded consolidated appeal process will therefore be a high priority. UNDP will, under its resident coordinator mandate, promote (a) programme definition; (b) fund-raising; and (c) financial tracking and reporting. In emergencies, UNDP, in cooperation with the Department of Humanitarian Affairs and the Inter-Agency Standing Committee, will strengthen its performance as the focus for transition from relief, through rehabilitation and reconstruction, to longer-term development.

33. As part of its advocacy and resource mobilization drive, UNDP will be more extroverted and its staff more media- and constituency-oriented: lines will be assigned in new projects and programmes budgets for public affairs and advocacy. Organizational linkages will be strengthened among staff working on policy, substantive, operational and media matters.

B. Effectiveness and impact: providing value for money

34. Vision. The overriding objective of UNDP 2001 is to help to achieve development results within its SHD framework, and especially in poverty eradication. It offers well-defined "signature services" that both respond to country needs and express its distinctive goals and capabilities. UNDP is a learning organization, strong in ideas and knowledge drawn from its own country-specific experience and speedy in channelling that flow of information to support dialogue, advocacy and programming under different conditions at the country, regional and global level. UNDP recognizes that development cooperation resources are scarce and that every contribution must be wisely deployed for maximum impact. Priorities and focus, including the careful targeting of resources, are essential.

1. Enhancing programme focus and targeting resources to high-priority development needs

35. To be effective, UNDP cannot attempt to do everything, even within its SHD framework. Given the diversity of national situations in programme countries, achieving focus on priority needs within the SHD framework must be accomplished primarily at the country level. While respecting the necessity for country-level flexibility, broad parameters and corporate strategic objectives must be established to maximize the capabilities, impact and accountability of the organization.

36. In strengthening the process skills its clients appreciate, UNDP is proposing to develop a menu of "signature services" within its current substantive areas. The results of this effort, which must reflect broad categories of current and future demand for UNDP services, will be made available to the Executive Board in April. Capacity development will be the central objective of these development products and services.

37. UNDP will support common country assessments, country strategy notes and other initiatives within the resident coordinator system and with other

development cooperation partners to ensure the complementarity of its activities with those of others.

38. UNDP will maintain its primary focus on the poorest countries, while ensuring universality of programme presence. Under the overall resource distribution formula adopted for the successor programming arrangements, UNDP will seek to leverage non-core contributions with core contributions, applying the model successfully pioneered in the Latin American and Caribbean region to other regions.

2. Insisting on high-quality, high-impact programmes, while providing the support and staff capabilities needed to develop and implement them

39. Continuing from round one, UNDP will assign resources flexibly under its new programming arrangements to provide performance incentives and will ensure that programme quality criteria are met through strengthened design and appraisal work by country offices and effective headquarters oversight.

40. UNDP core staff competencies should be aligned with its new mission as well as with the requirement for quality programming and delivery. UNDP plans to develop or acquire capabilities and skills that support: systems thinking and interdisciplinary approaches; development strategy formulation, policy analysis, planning and forecasting; innovative thinking and product/service development; service orientation, speed and efficiency; partnership-building and networking; resource mobilization and outreach; information-gathering, processing, analysis, utilization and packaging linked to information technology; empowerment and group leadership; organizational discipline and efficient management of business processes (meetings, deadlines, budgets, performance measurement, etc.); and sound financial management and administration.

41. In line with its new focus, UNDP will continue to specialize in upstream and other high-leverage interventions, including advocacy, and to reduce the array of small, unrelated and scattered projects and non-strategic services.

42. As part of its role to advocate SHD and promote policy dialogue, UNDP will target critical constituencies and tailor key messages and approaches to parliamentarians, national decision-makers, civil society groups and other potential strategic partners.

3. Strengthening organizational learning and insisting on results-based management and monitoring of impact

43. UNDP must capture and transfer the organization's extraordinary, indeed, unique, breadth of experience and expertise. It will therefore adopt new practices for knowledge development and information-sharing, rooted in its success stories and key lessons at the country level. Together with experience drawn from others, this will provide a powerful basis for UNDP's country support and advocacy efforts. To this end:

(a) UNDP will progressively establish a system linking country offices, subregional resource facilities and headquarters in a global and electronic interactive network, and use that network to identify, package and communicate successful development lessons and best practices;

(b) Evaluation, linked to a system for measuring programme performance, will have a critical place in knowledge development and organizational learning. It will contribute to the design of new products and services and enhanced programme quality by independently validating results of past activities and feeding those results into policy and programme development. None of this is possible without a system for measuring results and a dynamic information system that captures and transmits those results to users and decision-makers in the organization. UNDP will therefore complete the field-testing of its system of programme performance indicators as an urgent priority and adopt that system across the organization. It will also launch its Executive Management Information System to support better information flows between country offices and the centre. In addition, the proposed location of the evaluation function as a separate office in a reoriented policy bureau will help to close the loop between evaluation, results measurement, learning, policy development and programme quality.

C. Efficiency, accountability and good management: building the essential structure and infrastructure

44. Vision. UNDP 2001 is value-driven, effectively managed and responsible. It is united by shared organizational values and managerial principles that foster effective teamwork, high standards and managerial and individual responsibility and clear norms of staff conduct; is secure in the justness of its accountability framework and in the provisions for staff empowerment, recognition and sanctions which that framework actively guarantees.

45. It has improved leadership styles and has established among all staff a strong culture of efficiency and professionalism. It has reinvented its principal management and quality control systems.

46. UNDP is efficient and decisive, taking the right decisions in the right places. It is a leaner, flatter and strategically decentralized organization that takes operational decisions nearest to the point of action and conducts its business through clear executive direction, cohesive planning, efficient procedures and effective information and accountability systems.

1. Achieving efficiency gains

47. Major efficiencies will accrue as UNDP moves rapidly to synchronize overall planning and resource allocation in order to match resources better to priorities. The proposed integration of these functions within a new Bureau for Planning and Resource Management is key to this efficiency measure. The new Bureau will provide a planning framework for managing and monitoring overall organizational performance under established objectives. Furthermore, it will strengthen the Administrator's accountability by ensuring that consistent and

regular information is available for strategic decision-making and that the implementation of decisions is monitored and kept on track. The Bureau will be instrumental in overcoming bottlenecks and delays in taking decisions.

48. UNDP will complete its in-depth examination and overhaul of central service systems aimed at reducing transaction costs, shortening turnaround times and improving management, accountability and services. It is proposed to group financial services, administrative services and information technology support within a single, functional area, a consolidated Bureau of Financial and Administrative Services. The Bureau would enhance the level of services provided to UNDP and the United Nations system at large while deriving efficiency gains through functional integration, supported by automation.

49. On the administration side, UNDP will at the same time continue to pare procedures, forms and process steps to the minimum. On the programme side, it will urgently complete all pending revisions of procedures for programme management, monitoring and evaluation. It will prepare and issue a digital compendium of manuals, instructions and procedures on CD-ROM and through the UNDP Intranet.

50. Redeploying staff to lower-cost locations will create economies. For example, initial estimates show potential savings of at least $2.5 million per annum in office rental if 20 per cent of staff were redeployed from headquarters.

51. UNDP will institute a new meeting culture, reducing the number of meetings and increasing their results through better preparation, clearer agendas, more rigorous time management and more vigilant follow-up. UNDP will make more use of teleconferencing as an efficient means of bringing headquarters and country offices together more frequently while reducing travel costs.

52. UNDP has established an Efficiency Ombudsperson to review staff suggestions for improving efficiency and to ensure that line units follow through on those meriting action. UNDP will provide incentives for efficient management, including awards for outstanding achievement. It will set up a worldwide bulletin board posting successful cost-reduction, time-savings and other efficiency gains.

2. Strengthening organizational values, accountability and performance measurement

53. As befits its mission, UNDP is developing a firm ethical culture to guide staff in their work. Self-motivation and self-regulation will move the organization away from its present preoccupation with written rules, manuals and directives, and pave the way for an accountability system where controls are applied ex post. A conference room paper on new accountability measures is available to the Executive Board at its current session.

54. With wide staff consultation, UNDP has drawn up a statement of values to guide the organization and individual staff in their conduct. It will implement an ethics programme for the organization, with a code of conduct and guidelines.

55. UNDP is defining new organizational standards of accountability, responsibility and business conduct, as well as sanctions for failure to meet them. It will implement the accountability framework recently adopted by the Executive Board through a process for control and risk self-assessment. The organizational handbook will be rewritten as a core manual establishing clear accountability and reporting lines.

56. As part of implementing the accountability framework, UNDP will introduce more objective measurements to assess management performance and programme impact. Two-way accountability between headquarters and country offices will be the norm. The country office annual work plan will represent a performance contract between the Resident Representative and the Director of the Regional Bureau. It will be co-signed by both parties and set out clear performance objectives on both sides. Resident representatives will be evaluated on performance under these plans and be protected against extraneous requirements.

57. It is critical to ensure the periodicity, reliability, scope and proactive character of regular and independent audits covering the financial, managerial and programme activities of UNDP. It is proposed to expand the functions of the Division of Audit and Management Review, renamed the Office of Audit and Performance Review. The Office will act on the recognition that administrative, financial, staffing and programme matters are closely interrelated. The Office will review and, as required, investigate the application of the new UNDP accountability framework across the organization's principal management systems.

3. Human resources development

58. Managing the workforce through the transition to 2001 involves several steps: creating new managerial and leadership competencies; creating new work methods and tools; buying and/or building new individual capabilities; and setting up new organizational structures and relationships.

59. UNDP will therefore give more attention to staff training and will take full advantage of training programmes established for resident coordinators. It will promote distance learning and encourage staff to devote 5 per cent of their time each year to self-learning projects. UNDP will also use secondments, exchanges, movement of staff on and off project posts, sabbaticals and special leave without pay for training and personal development.

60. The transformation to a results-oriented organization is a complex process of managed behavioural change. UNDP will accelerate the integration of people skills into the work of line management, ensuring that staff understand their new environment and the results expected of them. It will conduct periodic global staff surveys to measure staff attitudes and morale and to pinpoint weak management skills.

61. As part of this new environment, and to provide for flexibility in matching competencies to tasks, UNDP will clarify the conditions of service and the contractual status of different categories of international Professional staff. Those career-track staff will be subject to compulsory rotation in the framework of UNDP reassignment and gender policies. The non-rotational track would cover

specialized personnel, including those on ALD contracts and special service agreements.

62. Throughout, UNDP will shift personnel practices away from an entitlement system towards one based on performance and merit. It will separate staff who consistently underperform and reward outstanding achievement.

63. Within its human resources strategy, UNDP will prioritize its gender-balance policy, which calls for a 50:50 ratio among Professional staff within five years. A gender-sensitivity analysis of the change process will be presented in a conference room paper at the current session.

4. Managing and developing information systems to support critical business processes in 2001

64. Information management systems are essential to the efficient conduct of operations in a decentralized global organization with more than 132 offices around the world. To meet the business requirements of UNDP in the future, its information systems will be thoroughly reoriented and modernized.

65. A firm of information management consultants has recently completed a review of UNDP current systems. On that basis, it is proposed to appoint or designate a senior manager with leadership skills to act as Chief Information Officer, whose function will be housed in the new Bureau for Planning and Resource Management. That function is critical to the design and management of effective systems to support upper-level management at headquarters and in country offices.

66. The UNDP Internet strategy supports the development of UNDP as a knowledge organization and targets have been set for full on-line country office connectivity: 60 per cent by mid-1997 and 90-100 per cent by early 1998.

67. The UNDP document management project will be completed on schedule (end-1997). It will reduce paper flows by providing quick access to an electronic storehouse of key documents at headquarters and in country offices.

68. The Integrated Management Information Systems project (IMIS) will replace existing administrative, personnel and financial management systems in the Office of Human Resources and the Division of Finance. Expected results include: time and cost savings; improved services; and stronger management and accountability.

69. The Programme Budget Management module of the UNDP integrated Financial Management Information System is being transmitted to country offices this year. It will improve and standardize programme resource management in country offices and incorporate financial management tools for the new programming arrangements.

5. Reinventing UNDP headquarters

70. The change process recommendations point to the kind of headquarters structure that UNDP needs to conduct its new business. In broad terms, that structure should be flatter and more decentralized. It should support operations responsively while providing effective checks and balances. UNDP proposes to:

(a) Define headquarters as the minimum core needed to provide a strong, cohesive management centre of a decentralized organization. Operations will be pushed outward through delegation and with accountability. The new UNDP structure will reflect an effort to recognize three distinct components or functions: headquarters, being those units whose functions concentrate on organizational policy, global advocacy, management oversight and quality control and global resource mobilization; operating units, comprising the country offices and the regional bureaux; and common administrative and financial services. In theory, only headquarters units need be located in New York; operating units could all be decentralized out of headquarters. Also, in theory, common services comprise those functions that could be made available to others in the United Nations system. While this tripartite model has been extensively applied in redesigning UNDP, several adjustments were adopted to fit UNDP circumstances;

(b) Decentralize substantive support to the subregional level, as described earlier, in order to raise efficiency gains and improve responsiveness;

(c) Adopt a ratio of one supervisor to seven direct supervisees at headquarters, making it flatter by significantly reducing the number of divisions within bureaux and offices, speeding up decision-making, and improving response time.

71. In line with these principles, detailed proposals have been developed for a new organizational structure, clarifying the accountability and reporting arrangements, responsibilities and functions of all headquarters units. In the new structure, the number of direct reports to the Administrator would be reduced from 15 to 7. Further structural details are provided in annex II. An informal note on the proposed structure was the subject of consultation with the Executive Board at its second regular session in March 1997. It included details of the management and the operation of subregional resource facilities.

IV. EXECUTIVE BOARD ACTION

72. The Executive Board may wish to:

1. Take note of the present report on change management;

2. Encourage the Administrator to implement the proposals contained in the report and to submit a report on progress achieved to the Executive Board at its third regular session 1997.

Annex I

PROGRAMMING FOR SUSTAINABLE HUMAN DEVELOPMENT: THE UNDP FRAMEWORK

1. UNDP assists programme countries in their endeavour to achieve sustainable human development, in line with country-driven priorities and country-owned programmes.

2. To do this, UNDP must pursue three basic goals:

(a) Strengthen international cooperation for sustainable human development and serve as a major substantive resource on how to achieve it;

(b) Help the United Nations family become a unified and powerful force for sustainable human development; and

(c) Most importantly in terms of resources, focus UNDP resources on making the maximum contribution in the countries UNDP serves to certain key dimensions of sustainable human development.

3. In pursuing the third of these goals, the objectives to which UNDP should give priority are:

(a) Eradicating poverty (the central priority and overriding objective);

(b) Providing jobs and sustainable livelihoods;

(c) Advancing women;

(d) Protecting and regenerating the environment.

4. To assist countries in achieving development that does give priority to eradicating poverty and increasing equity, to creating opportunities for employment and livelihood, to empowering women, and to sustaining the environment, UNDP can help in the following proven ways, among others by:

(a) Supporting capacity development for sound, responsive and participatory governance, including the capacity to carry out country-driven economic and political transitions, to cope with and benefit from economic and environmental globalization, and to frame and to implement national strategies and action plans;

(b) Providing policy advice and substantive expertise;

(c) Helping to mobilize, package and promote access to sources of development assistance and finance, using the programme approach, the round-table mechanism, Consultative Groups, sector investment strategies and other approaches;

(d) Promoting access to internationally available technology and the development of indigenous approaches;

(e) Supporting technical and other economic cooperation among developing countries;

(f) Working to surround emergency and crisis situations with development opportunities and to sustain livelihoods while United Nations humanitarian operations are seeking to sustain lives;

(g) Promoting the development of the private sector, capacity-building in civil society, participatory approaches, and government, civil society partnerships, including partnerships with non-governmental organizations, private business, research and education centres, and others; and

(h) Supporting upstream national initiatives and selected downstream projects that seek to provide the poor with access to empowering assets such as skills, jobs, credit, legal rights and status, land and environmental resources, opportunities to participate in decision-making, and so on.

Annex II

Three Defining Characteristics of UNDP 2001

I. Country focus: providing high-quality development services, quickly and responsively to meet the SHD needs of programme-country Governments

The host country Government has most leverage to influence positively the lives of the poor and the achievement of Sustainable Human Development (SHD). This orientation gives strategic focus to the work of UNDP within the SHD framework. UNDP value-adding services are tailored to fit country needs within that framework. The impact on capacity for governance in SHD is the main criterion for UNDP product development and programming. UNDP's network of partnerships and collaborations - with the private sector, civil society, development experts, and international and other development institutions - is strengthened by this focus.

ACTION REQUIRED	INITIATIVES FOR CHANGE
1. Major strengthening of UNDP country offices.	Country offices need the tools and authority to be more responsive to local needs. UNDP must dramatically strengthen its network of country offices (COs), operationally and substantively in order to provide effective SHD services.
Empower country offices and locate decisions close to countries through decentralization and other measures.	* For all country cooperation frameworks (CCFs) approved by the Executive Board, the Administrator now delegates full approval authority to resident representatives for programmes funded from core resources. * Further delegate authority to shift financial resources between redeployment groups in country office budgets. * Within a revised ex-post accountability framework, enable country offices to manage programmes, finances, administration and personnel matters, influencing their capacity to respond quickly.
Shift professional resources substantially from headquarters to country offices.	* Establish a target for redeploying a significant number of Professional staff at headquarters to the field by 1999, thereby increasing the strength of UNDP internationally recruited Professionals at the regional and country level. The target should apply to staff funded from core and non-core resources. * Enforce compulsory rotation for career-track staff in line with reassignment and gender policies. * Further improve selection of resident coordinators, matching profiles to accurate assessments of the needs of countries, including countries in crisis. * Clarify reporting and backstopping, so that resident coordinators report to and are supported by Regional Bureaux on operational matters and the Office of the United Nations System Support and Services (OUNS) supports the Administrator's oversight of the global functioning of the resident coordinator system. * Establish inter-agency support mechanisms which are financed by the United Nations, at least in large programme countries.

ACTION REQUIRED	INITIATIVES FOR CHANGE
Major strengthening of UNDP country offices (cont'd) Increase capability of country offices to support the resident coordinator, to represent agencies not staffed locally and to establish a cohesive United Nations presence.	* Systematically share among country offices best practices in coordination in (a) aid management (support to government coordination); (b) United Nations system support; (c) support among the broader international community. Establish an OUNS mechanism to that end. * Accelerate experiments with United Nations common services and common databases; monitor their impact and cost-effectiveness and share information with other country offices.
Enhance UNDP support for and participation in round-table and Consultative Group meetings and follow-up to them.	* In support of the resident coordinator function, move vigorously to develop a strategy for strengthening substantive dialogue between programme countries and their development partners through round-table or Consultative Group meetings, sectoral consultations and expanded consolidated appeals facilitated by OUNS. Ensure that the operational capabilities of the United Nations system, including those of UNDP itself, are effectively marshalled in preparing for these processes and are adequately reflected in programmes arising from them. * Develop effective in-house capacity to support and monitor Government-donor consultations. Formulate and implement a specific strategy for supporting Consultative Group countries in their dialogue with international financial institutions (IFIs) with the aim of ensuring that SHD considerations are adequately incorporated in economic plans.
Increase country office capacity by moving technical support resources closer.	* Establish UNDP-managed expert networks and subregional facilities to provide demand-driven technical backstopping to country offices. * Provide core staffing of networks through redeployment of appropriate headquarters staff and/or posts.
Liberate country office capacities through drastic simplification of rules, procedures and manuals.	* Clean up and simplify procedures by bringing together teams of field-based operational staff, supported by writers, to produce trim, operationally efficient procedures in target areas (programme, finance and administration). Thereafter, oversee and curb instances of further proliferation and issue only concise updates using stable terminology. * Help country offices gain quicker access to special-purpose funds managed centrally. Convene managers of headquarters-managed funds to identify simpler process steps and criteria for each source. Prepare and circulate a concise composite manual, explaining the purpose and method of accessing individual funds.

ACTION REQUIRED	INITIATIVES FOR CHANGE
Major strengthening of UNDP country offices (cont'd) Strengthen human resources in country offices and provide learning and career opportunities for locally recruited staff.	* Tailor training programmes to equip career managers with broad competence in the management of both substantive programmes and the administrative systems needed for effective and efficient UNDP operations. * Invest in building the human resource capability necessary to perform well in crisis and post-conflict situations. Different decision-making models, new sets of competencies, and procedures which enable rapid acquisition and deployment of people will be necessary. * Revise the national officer framework document to reflect new policies of professional and management training, career development, mobility, performance management and recognition, classification of posts and representational responsibilities.

	INITIATIVES FOR CHANGE
2. Major UNDP commitment to resource mobilization on behalf of programme countries.	Although every country office must become a resource mobilization centre, the long-term challenge of resource mobilization is much more comprehensive.
Undertake a comprehensive and diversified growth strategy based on identified targets for each category of the total resource base of UNDP. The overall target should be double UNDP total resources by the year 2001.	* Since core resources are the bedrock of UNDP programme funding while non-core resources represent opportunities for significant growth, pursue opportunities within the UNDP SHD mandate for non-core funding. To that end, establish global resource-mobilization targets and to define the potential rewards and sanctions associated with success in reaching them or failure to achieve them. The proposed overall target of doubling UNDP total resources by 2001 should be interpreted by Regional Bureaux in cooperation with each country office and endorsed by management. The Regional Bureaux should set targets at the country level through joint planning of work with country offices. * Utilize country office reviews to assess performance against targets. Performance ratings should reflect that (a) circumstances and potentials vary among different regions and (b) non-core resources should be mobilized and programmed within the SHD framework. * Establish performance in delivery and resource mobilization as a critical determinant in promoting resident and deputy resident representatives. * Focus international policy attention on key development issues in poverty eradication and SHD by maintaining the quality and independence of the global Human Development Report (HDR).
Address globally and locally the need to revitalize development cooperation, increase ODA and forge a new framework for development cooperation.	* Strengthen national capacity for internalizing HDR issues in specific country contexts by sponsoring national HDRs in all regions; provide country human development indicators for all programme countries. * Conduct and communicate to decision-makers UNDP policy research on the role of ODA in a changing global environment. * Support UN internal policy coherence and enhanced coordination in economic and social areas at senior management level and through joint UN agency follow-up to major conferences and special initiatives (e.g., Africa). * As resident coordinators, lead overall UN system in supporting implementation of international development commitments at the country level, providing feedback to relevant UN commissions and inter-agency task forces. * Support the development of complementary relations between the UN and the Bretton Woods institutions through high-level policy discussion and through mechanisms such as the inter-agency task force on creating an enabling environment for economic and social development and other recent cooperation agreements.

ACTION REQUIRED	INITIATIVES FOR CHANGE
Major UNDP commitment to resource mobilization on behalf of programme countries (cont'd) Forcefully raise the profile of UNDP and improve its reputation for results in target constituencies, among NGOs and with the private sector.	* Review current stakeholder partnerships and identify some 12 to 15 major alliances for advocacy in UNDP thematic areas. Establish a mechanism to assess the impact of current partnerships in strengthening UNDP efforts at the national level to help countries advance and implement SHD. Determine which alliances are mutually beneficial and merit further efforts. Design and use a World Wide Web page to support communication among strategic partners. * Promote the model of SHD in major international fora and in policy dialogue with Governments and international financial institutions.
Target UNDP stakeholder alliances for maximum effect.	* Ensure consistent quality of UNDP-sponsored national HDRs, publicize their impact locally and internationally, maximizing linkages with the global HDR. Explore the replicability of the human development partnership model designed in Europe.
Encourage all staff to be media- and constituency-oriented and strengthen linkages among staff working in the policy, substantive, operational and communication areas.	* Identify annually a few key messages for UNDP-wide communication and target important broadcast venues, forums, conferences, seminars, etc., ahead of time. * Invest financial resources, and encourage all staff to invest time, in developing the content and packaging of such messages. * Establish teamwork among units as the norm for developing communications/products. Ask staff to budget their time to allow for media- and communication-related tasks and set targets for the amount of time to be so allocated. * Forge close and regular working ties between the Policy Bureau and the Division for Public Affairs and promote the products of both units in the UNDP areas of focus. * Publicize UNDP policy research on international development issues; conceptualize media opportunities linked to newsworthy events for promoting the work of UNDP in printed and electronic media. * Form cross-unit task forces with staff working on NGO matters, parliamentary issues and private sector relationships. Identify further administrative changes that are required to allow UNDP to strengthen its relationships in this regard.
Identify resources to support effective communications and constituency development.	* Re-prioritize funding within the organizational budget to support UNDP communications and advocacy efforts.

ACTION REQUIRED	INITIATIVES FOR CHANGE
Major UNDP commitment to resource mobilization on behalf of programme countries (cont'd)	* Allocate programme resources to such efforts. Assign a budget line in every UNDP programme or project to the development of support for communications and information. Place that line under the management of UNDP in-country public affairs officers and hold resident representatives accountable for the use of the funds involved as part of their overall performance in resource mobilization. * Prepare a programme of action for seeking trust funds to support outreach modelled on the 1994 donor trust fund for sustainable human development, democracy and good governance.
Simplify UNDP funding modalities to strengthen country office-led resource mobilization by developing standard partnership agreements. Improve the collection of Government local office contributions (GLOC).	* Design and rapidly approve for use at country level: The Partnership Funding Agreement. This agreement should be drawn up to consolidate the best of the trust-fund and cost-sharing mechanisms. The key principles underlying it should include provisions for contributors to fund specific budget items and projects meeting donor requirements in a more flexible manner. Development services agreements. These would be based on a new standard document detailing the types of services to be provided; the time-frame for delivery; results specification; and a detailed catalogue of the costs to the country office concerned. Services could include identification and design of project proposals for development partners; procurement services for programme Governments and development cooperation partners; and monitoring services for development partners. * Initiate the design of a system of incentives and sanctions for the payment or non-payment of GLOC, continuing to count Government in-kind contributions as valid payments, and charging TRAC resources in cases of non-payment.
Simplify headquarters funding modalities. Diversify funding modalities by engaging the private sector as a partner in UNDP-sponsored, country-led development efforts within the policies of each host country.	* Design and rapidly approve two types of headquarters-based trust funds: one to support key thematic issues, the other to cover a donor-funding facility. Large thematic trust funds would be open to multiple donors with a minimum threshold. A donor-funding facility should be established for multi-bi funding within a framework agreement with an individual Government. These arrangements will require consistent backstopping and consistent donor reporting at headquarters level. * Develop and apply an appropriate corporate policy and flexible guidelines for private-sector funding and private-sector development partnerships.

ACTION REQUIRED	INITIATIVES FOR CHANGE
Major UNDP commitment to resource mobilization on behalf of programme countries (cont'd) Strengthen UNDP representation and links with traditional donors, as well as with key development institutions and emerging donors.	* Reassess and improve UNDP outreach to major donors through consultation with donor capitals and donor representatives. * Explore ways of reallocating responsibilities, country coverage and resources among UNDP liaison offices; examine options for establishing national committees such as the US Committee for UNDP; identify former UNDP senior managers based in donor capitals and retain them part-time as in-country representatives. * Place UNDP staff in the World Bank and possibly in other IFIs, through exchange or secondment or via programmes. Build up relations with the World Bank and regional banks at the country level by such means as appointing national officers for liaison purposes. Organize practical on-site training for entire country office teams, in which experience and contacts are shared. Set up joint training with IFIs. * Institute and implement comprehensive strategies for outreach to emerging, as well as established, donors. Such strategies should combine, as appropriate, elements of the UNDP corporate RM drive including: analysis of the policies, circumstances, interests and potential of Governments; strategic partnerships with Government, NGO, academic and private-sector groups; strengthened working relations between UNDP and IFIs and in-country workshops and media-promotion activities.
Promote complementarity between relief inputs and development assistance during emergencies.	* In emergencies generally, and in line with its mandate to support resident coordinators, UNDP should strengthen its performance as the focus for transition from relief through rehabilitation and reconstruction to longer-term development. Cooperation with DHA and the IASC is essential. * The development of the expanded consolidated appeal concept should receive the highest priority. Based on the concept, UNDP should, under its resident coordinator mandate, promote (a) programme definition, (b) fund-raising and (c) financial tracking and reporting.
Provide effective support to country office resource mobilization by: (a) Carefully mapping high-potential programme countries and entry points.	* Explore and tap opportunities for partnerships in certain types of programme countries, notably recipients of large official development assistance (ODA) flows; those with little or no donor representation; those with difficult conditions for implementing large-scale projects and countries where the advancement of funds could leverage the interest of major partners. * Identify and roster experienced headquarters and country office staff as members of teams for short-term assignments to backstop the resource mobilization efforts of the country offices.

ACTION REQUIRED	INITIATIVES FOR CHANGE
Major UNDP commitment to resource mobilization on behalf of programme countries (cont'd) (b) developing a system for providing country offices with quick practical advice and updated information on resource mobilization matters.	* Create an intercountry office network, backed up by an organized database and Internet communications network. Backstopping and the regular input of updated information on resource mobilization should be managed at headquarters. Corporate support services for resource mobilization training should be clearly identified and include a country office-based training package. * Establish a resource mobilization hotline via e-mail with a single address where staff members can obtain suggestions and clarification on resource mobilization matters. The hotline should be managed by the Division for Resource Mobilization, which would organize responses by referring questions to its roster of experienced staff at headquarters and in country offices and to retirees. Twinning and mentoring relationships should be established through this process. * Establish a project-presentation hotline through which country offices could send draft project proposals intended for donor consideration for improvements in drafting and editing, substantive comments, translation and other services.

II. Effectiveness and impact: Providing value for money.

The primary objective of UNDP 2001 is to promote the achievement of development results within its SHD framework, especially in the area of poverty eradication. It offers well-defined "services" that both respond to country needs and express its distinctive goals and capabilities. UNDP is a learning organization, strong in ideas and knowledge drawn from its own country-specific experience and quick to channel those ideas and that knowledge to support dialogue, advocacy and programming under different conditions at the country, regional and global levels. UNDP recognizes that development assistance resources are scarce and that every contribution must be wisely deployed for maximum impact. Priorities and focus, including the careful targeting of resources, are essential.

ACTION REQUIRED	INITIATIVES FOR CHANGE
1. Enhancing programme focus, sharpening goal-oriented priorities within the SHD framework and targeting resources to high-priority needs.	To be effective, UNDP cannot attempt to do everything, even within its SHD framework. Given the diversity of national situations in programme countries, achieving focus within that framework must be accomplished primarily at the country level. While respecting the need for country-level flexibility, broad parameters and corporate strategic objectives must be established globally to maximize the capabilities, impact and substantive accountability of the organization as a whole.
Clarify those areas within the SHD framework, where UNDP will provide exceptional services, offering a menu of strategic development services that can be adapted to country needs, and focus most UNDP resources in these areas.	Propose for Executive Board decision, as the focus of UNDP poverty-eradication efforts, the following areas of concentration identified by the Policy Bureau in consultation with country offices and stakeholders. Each provides an entry point for SHD, falls within the UNDP framework and has the potential for high impact and leverage: * Developing and implementing integrated poverty-eradication strategies, including support for the design of macro-policy frameworks and the design and implementation of cross-sectoral policy approaches. * Promoting long-term access by the poor to assets, energy, food and water. * Strengthening governing institutions, such as judiciary and electoral bodies, public-sector institutions and national and local legislatures. The programmes involved would strengthen electoral processes; support decentralization and economic and financial management; build civil society partnerships; promote legal reform and reinforce parliamentary processes. * Fostering women's leadership and legal reform in conjunction with programme-country Governments. Assign the bulk of UNDP programme resources to these areas and the rest to support for high-priority interventions in poverty eradication.
Clarify those areas within the SHD framework where UNDP will provide exceptional services, offering a menu of strategic development services that can be adapted to country needs, and focus most UNDP resources on these areas.	* Support, in each area, both substantive development interventions, as identified in UNDP's programming framework and major development processes. The latter include advocacy, information-sharing, coordination of activities of the United Nations system and development facilitation services. * Promote capacity development as a cross-cutting priority throughout.

ACTION REQUIRED	INITIATIVES FOR CHANGE
Programme focus (cont'd) While ensuring universality of presence, assign core programme resources, with a progressively heavy concentration on the least-developed and low-income countries.	* Maintain the overall resource distribution formula adopted for the successor programming arrangements under which 60 per cent of core resources goes to the least developed countries and nearly 90 per cent to low-income countries with annual per capita incomes of $750 or less. * Act on the 1996 delivery strategy and targets using joint headquarters-country office teams to support programme build-up and improve delivery rates in particular countries.
2. Insisting on high-quality, high-impact programmes while providing support required to formulate and implement them.	UNDP must insist on continuing, and intensifying ongoing initiatives to ensure that the next generation of country programmes responds closely to country priorities in SHD while meeting quality standards. In achieving this goal, headquarters units will provide strategies, methodological support and guidance and quality control. Country offices will draw on a flexible array of technical resources, including the technical support capabilities of networks of experts and the substantive services of resident SHD programme advisors and/or of national programme staff on detail from neighbouring UNDP offices.
Implement the new programming arrangements faithfully, reducing entitlement concepts and encouraging performance.	* Maintain quality standards approved by the Executive Board for new country cooperation frameworks (CCFs) in all regions through headquarters oversight (Programme Management and Oversight Committee) and country office vigilance: CCFs should reflect clear, country-owned strategies within the UNDP programming framework; measurable targets, for impact and results wherever possible; effective management arrangements for execution, implementation, coordination, monitoring and review; and overall resource mobilization targets. * Assign TRAC II resources flexibly to provide performance incentives. Assign resources for technical support to strengthen programme-formulation capacities, utilizing the capabilities of agencies in the United Nations system, whenever appropriate. * Continue to improve training for country office staff in the operation of the arrangements, obtain feedback on effectiveness of associated procedures and carry out needed adjustments. Utilize annual reviews of country office work plans to measure quality gains against performance indicators. * Design and issue new results-oriented guidelines for monitoring and evaluating programmes. Conduct a mid-term review of the overall functioning of the new arrangements (1998).

ACTION REQUIRED	INITIATIVES FOR CHANGE
High-quality, high-impact, programmes (cont'd) Access UNDP knowledge of SHD "best practices", based on diverse country-specific experience, through knowledge networks, for example.	* Establish a system linking country offices, subregional resource facilities and headquarters in a global interactive network for the identification and rapid transfer of UNDP best practices within and among regions. * At the subregional level, use network staff to identify, package and communicate to country offices and headquarters successful development lessons and best practices. Network managers should periodically convene country office representatives, national counterpart personnel and project staff to share and analyse the information received. * Empower the more than 33,000 UNDP-sponsored project personnel as an integral part of a United Nations knowledge network to support SHD and poverty eradication.
Strengthen organizational learning, including from country experience, and recycle lessons into better services. Develop and use new tools, including information systems, to monitor and disseminate results.	* The Policy Bureau should: (a) Assess and compile a database on key practices and knowledge drawn from UNDP-managed networks and country offices, disseminating relevant examples and precedents among regions to support better programming; (b) Feed the networks with examples of "best practices" drawn from other international development institutions; (c) Utilize lessons as a basis for UNDP policy development; (d) Package and communicate key lessons to major stakeholders in collaboration with the Division of Public Affairs. * The Evaluation Office should complete the development and field-testing of programme performance indicators for use as the basis for strengthened monitoring, feedback and organizational learning. * Global development information networks should be created in the UNDP areas of focus as the basis of an SHD information web, powered by UNDP country offices. All UNDP offices and headquarters should be interlinked through customized web pages on each theme. Contacts with the Government, civil society organizations (CSOs), the private sector, academic, media and others maintained by each office would also be linked to this resource. The networks would feed UNDP information and experience into the design of knowledge-based programme services.

ACTION REQUIRED	INITIATIVES FOR CHANGE
High-quality, high-impact programmes (cont'd) Clearly define core staff competencies needed for quality programming and successful delivery, including both substantive and process skills, and build those competencies; become a more substantive organization.	Incorporate in human resources development policies the core capabilities identified by UNDP 2001 as central to delivering the UNDP mission. In particular, develop or acquire capabilities and skills that support: * Systems-thinking and interdisciplinary approaches * Development strategy, policy analysis, planning and forecasting * Strategic planning, economic analysis, management and envisioning future developments * Innovative thinking and the development of products and services * Orientation, speed and efficiency of services * Partnering and networking * Resource mobilization and outreach * Information gathering, processing and analysis, utilization and packaging linked to communications technology * Communications and public relations * Empowerment and group leadership * Organizational discipline and efficient management of business processes (meetings, deadlines, budgets, performance measurement, etc.) * Sound financial management and administration
Deploy enhanced staff resources at the country level, with strategic backstopping from headquarters, to build both UNDP- and country-capacity to develop and deliver high-quality programmes.	* Match staff competencies closely to country office typology and needs through strategically-planned reassignment exercises. * Expand use of ALD contracts by country offices to fill gaps in skills and orient the use of development support services (DSS) funds towards the hiring of high-calibre national experts in focus areas. * Increase learning opportunities for country office staff and organize regular inter-office exchanges of qualified, locally recruited personnel. * Complete decentralization of local post classification and management of Special Service Agreements. * Maintain competitive conditions of service for internationally and locally recruited field personnel. * Mobilize UNDP-funded project personnel to provide advice and expertise to country offices. * Deploy new staff and/or posts relocated from headquarters for strategic functions, including substantive programme development, generation of knowledge and information-sharing, advocacy, policy dialogue and programme monitoring.

ACTION REQUIRED	INITIATIVES FOR CHANGE
High-quality, high-impact programmes (cont'd) Utilizing the programme approach, mobilize United Nations and other development assistance partners in support of country-owned and country-driven strategies and plans of action.	Under the programme approach: * Undertake consultations with CSOs in preparing advisory notes, as mandated by the Executive Board, and promote Government-CSO partnerships, notably in designing and implementing integrated poverty strategies and building governance capacities. * Accelerate support for the preparation by Governments of country strategy notes detailing technical cooperation inputs to national strategies from the United Nations system. * Encourage collaboration with the local private sector, including through preparations for round tables using proven modalities and options resulting from the new UNDP private-sector policy. * Establish more United Nations offices in programme countries, based on shared cost-recovery principles, in order to maximize opportunities for joint efforts, coordinated programming and common services. * Move ahead, with JCGP, in implementing the common country assessment (CCA) in 1997.
Specialize in upstream and other high-leverage interventions, including advocacy, thereby dramatically reducing the array of small, unrelated and scattered projects and non-strategic services.	* Utilize national human development reports, situational analyses, local donor-Government consultative groups and other means to support the formulation of national anti-poverty strategies. Concentrate on high-payoff projects in the UNDP specified areas of focus. * Develop a joint headquarters-country office capacity to identify country-specific SHD policy options for decision makers in the context of the economic advice provided by financial institutions. * Build on and improve UNDP policies, programming tools, indicators, benchmarks, measurement tools and methodologies designed to support decision-making, management and monitoring in SHD policy development. * Re-visit and revise, as necessary, UNDP guidelines for assistance in the development of capacity, taking into account the recommendations of the recent assessment of UNDP.
Emphasize capacity development for SHD in all UNDP assistance, improving national execution and maximizing the utilization of local and regional expertise.	* Incorporate lessons learned from modalities of assistance in the development of capacity being piloted by three UNDP Centres of Experimentation. * Complete and issue revised guidelines for national execution taking into account recent evaluation findings and further clarifying the roles and responsibilities of Governments, UNDP offices and United Nations agencies.
Enhance flexibility and experimentation in arrangements.	* Accelerate new NGO execution modalities in respect of UNDP-funded programmes, ensuring the accountability of partners, and issue clear guidelines on their use to country offices. * Develop further modalities for private sector collaboration in line with new UNDP policy.

ACTION REQUIRED	INITIATIVES FOR CHANGE
High-quality, high-impact programmes (cont'd) Maximize synergy with non-development United Nations activities, such as humanitarian and peace-building initiatives.	* Concentrate on supporting the "three Rs": reconciliation, reintegration and reconstruction in a humanitarian context. Form partnerships with relief agencies, based on effective arrangements for the complementary programming of relief and development inputs.

III. Efficiency, accountability and good management: building essential structure and infrastructure

UNDP 2001 is value-driven, effectively managed, responsible, and united by shared organizational values and managerial principles which foster effective teamwork, high standards, individual responsibility and clear norms of staff conduct; it is secure in the justness of its accountability framework and in the provisions for staff empowerment, recognition and sanctions which that framework actively guarantees. It has improved leadership styles and has established a strong culture of efficiency, trust, cohesion, learning, results-orientation and accountability. It has reinvented management systems, planning, budgeting and programming processes, as well as databases, quality control, monitoring, reporting and evaluation mechanisms to meet those objectives.

UNDP is efficient and takes the right decisions in the right places. It is leaner and flatter in that Headquarters concentrates on corporate strategy and decision-making, management support and control; country offices are empowered to manage operations through delegation and ex-post systems of accountability. Strategically decentralized, UNDP takes operational decisions nearest to the point of action and conducts its business through cohesive planning, efficient procedures and effective systems. UNDP is a renewed organization -- one with effective, clear processes and procedures; one that gets decisions implemented with efficiency and fidelity so that it can now move quickly down the direction of change it has set.

ACTION REQUIRED	INITIATIVES FOR CHANGE
1. Systems-oriented and other efficiency gains. Simplify procedures and integrate systems in central services (financial and personnel administration) to achieve efficiency gains and improve services.	* Re-engineer processes in the Division of Finance through the Integrated Management Information System (IMIS) to reduce costs, increase accountability and establish a revised country office accounting system. * Re-engineer processes in the Office of Human Resources as a basis for establishing more efficient services and developing and/or enhancing information systems. * Institute new procedures to better manage meetings, halving their number and increasing their outcomes through better preparation and time-management. * Explore time-based management and activity costing. * Expand use of bulk purchasing of standardized office equipment to lower annual expenditures by 5 per cent.
Synchronize UNDP overall planning and resource allocation functions and processes in order to match resources to priorities.	* Provide incentives for efficient management through world-wide bulletin board citing and recognizing outstanding achievements in cost-effective management. * Strengthen the function of the Efficiency Ombudsperson. * Establish an overall planning and results management system in UNDP. A timetable has been prepared for the preparation of the next biennial budget (1998-1999). On the basis of that timetable, the strategic plan and the annualized operational plan should be updated on a priority basis and checked against the availability of financial and human resources. The final plans would thus be aligned with the budget for the 1998-1999 biennium, and the organization would be able to manage results against planned goals and targets and with the appropriate resources assigned to achieve those results.
Simplify rules and administrative processes wherever possible.	* Complete on an urgent basis all pending revisions of procedures for programme management, monitoring and evaluation identified under objectives 1 and 5 of the 1996-1997 corporate plan.

ACTION REQUIRED	INITIATIVES FOR CHANGE
2. Strengthening values, accountability and performance measurement. Develop a firm ethical foundation for UNDP's corporate culture to guide staff in their work and to set the stage for a more cohesive and self-regulating organization.	* Adopt and communicate the UNDP draft statement of shared values and guiding principles to assist the staff at both the organizational and the individual level, in the conduct of business. The draft statement affirms the mission, vision and shared values of UNDP. * Establish an ethics programme for the organization. A code of conduct and guidelines should be developed and an ethics infrastructure established in UNDP to guide staff proactively in ethical decision-making and to provide an oversight, monitoring and sanctions process for violators. Train all staff on the introduction of the programme. Such training should be integrated with other in-house training programmes organized to support change in staff behaviour, including at managerial level. * Continue to adopt and communicate specific organization-wide goals, with a greater orientation towards results, to guide operations so that, together with the new mandate and mission statement, a basis of accountability can be established.
Clearly define organizational standards of accountability, responsibility and business conduct and provide sanctions for failure to meet them.	* Rapidly put in place the new accountability framework, recently adopted by the Executive Board, ensuring that its provisions are appropriately fleshed out for comprehensive implementation across all key management systems: i.e., planning and programming; financial resource management; human resources management; material resources management; oversight (audit and evaluation); and internal justice. * Implement the accountability framework for UNDP through a process for control and risk self-assessment (CRSA). This latter process is the logical choice to support strategic decentralization with accountability ex-post. Provide sufficient staff resources to the Office of Audit and Performance Review and sufficient training to UNDP staff to ensure the success of this process. * Develop overall corporate performance indicators as a basis for establishing objective management performance criteria. * Re-write the organizational handbook establishing clear accountability and reporting lines and defining the major functions of Headquarters units and country offices, taking into account the proposed reinvention of Headquarters.
Establish results-based management throughout the organization.	* Building on recent pilot efforts, decide at senior level to move ahead with a system for performance management and measurement in programming, finance and administration, and decide to implement that system immediately. * Identify and assign clear responsibilities for administering and coordinating the performance management and measurement system and provide the necessary authority and resources for that purpose. The Office of Audit and Performance Review and the Office of Evaluation could take responsibility for developing management performance indicators at both the corporate and the programme levels.

ACTION REQUIRED	INITIATIVES FOR CHANGE
Strengthening values (cont'd)	* Move towards a system which provides managers with policy guidance and interpretation and empowers them to adapt to local conditions. Managers would then be held accountable for the integrity and results of their management control framework.
3. Managing the work force through change and developing new staff and organizational capabilities.	* Substantially increase the financial investment of UNDP in staff training. Align ongoing training programmes with the objectives and core competencies of the organization. Continue providing opportunities to combine efforts with system-wide training activities, including training at the United Nations Staff College and training for resident coordinators. New staff training and development should focus on accelerated and non-formal learning systems. Options such as distance learning, use of on-line and library resources and release without pay for study should be explored and developed.
Create new staff competencies; design new work methods and tools; acquire or develop new individual capabilities; and set up new organizational structures and relationships.	* Out-placement is not the only means to achieve flexibility. Other mechanisms such as secondments, exchanges, movement of staff on and off project posts, sabbaticals and special leave without pay for training and personal development can act as mechanisms for encouraging more movement of staff in and out of the organization. The management of such mechanisms should be the basis of a formal career development system. Explicit policies in this regard should be framed and adopted, particularly for locally recruited staff, who will be increasingly important to the future of UNDP. * Given current projections for core resources and since natural attrition occurs only at the rate of 2 per cent a year, utilize career transition programmes (secondments, sabbaticals, leave without pay, etc.) to achieve at least a 3 per cent vacancy rate by 1999 for posts funded from both core and extrabudgetary resources. The estimated cost of career transition should be calculated for the next four years. After that date, accelerate the vacancy rate to 5 per cent to allow for more adaptive capacity and renewal.
Create new managerial and leadership competencies and skills to manage the business of UNDP 2001; encourage continuous learning.	* Develop or acquire the managerial skills required to empower staff in a flatter, less hierarchical organization. Many of the required skills can be learned, particularly when managers with these skills can be redeployed to act as agents of change. Some management recruitment and fast-track management development should also be applied. * Formulate and implement policies to support the UNDP goal of becoming a learning organization. Invest extensively in a management development programme which equips executives, middle-level managers and supervisors with new role behaviours and competencies to manage change. Career managers should be equipped with broad competence in the management not only of substantive programmes, but also of the administrative systems needed for effective and efficient UNDP operations.

ACTION REQUIRED	INITIATIVES FOR CHANGE
Managing the work force (cont'd) Establish an enabling environment for change to a results-based organization, ensuring that staff understand new expectations.	* Accelerate the integration of people skills into the work of line management. In the new environment of UNDP, managers should be able to manage people in order to maximize their performance potential as well as their understanding of the opportunities, expectations, rewards and sanctions associated with individual responsibilities and assignments. The Office of Human Resources (OHR) should assign qualified personnel advisors to guide managers in upgrading their people-management skills and identify staff meriting fast-track management training. * Ensure that staff understand their new environment. Managers should clearly communicate the vision and new directions of UNDP and inform staff of the results expected from them. The most important element in work force management is the establishment of a different "psychological contract" between the staff of UNDP and the organization, particularly where this impacts on expectations for a lifelong career. * Unify nomenclature for all jobs within UNDP. This will remove the distinction between GS and P staff categories, which will help to improve morale and develop a sense of community. * Establish incentives for staff, including financial rewards for individuals and for teams, recognizing that 67 per cent of headquarters staff and 48 per cent of country office staff report that the organization does not adequately reward consistently high performance.
Clarify conditions of service and prospects for different categories of UNDP Professional staff.	* Establish two main tracks in UNDP - career and non-career - based on a clear agreement between the organization and the individual. * Career-track staff would normally be staff in the 100 Series. Career staff would normally be placed on core or extrabudgetary posts. Persons on the career track should be subject to compulsory rotation and will be expected to serve in a high performing mode. In return, persons on the career track should expect that UNDP will invest in their development, ensuring that they stay current with best practices. Within the career track, there should be flexibility to meet both the medium- and the long-term needs of the organization. * The non-career track would cover the need for shorter-term, specialized personnel, including those on ALD contracts and SSAs. Premium pay should be attached to these positions to encourage self-training and development.
Implement the UNDP gender-balance policy.	* Pursue gender-balance targets approved by senior management within established time-frames. Managers should take such targets into account when framing recommendations for promotions and recruitment, performance and qualifications being equal. The question of conditions of service relating to family life that limit the achievement of gender-balance targets should be addressed.

ACTION REQUIRED	INITIATIVES FOR CHANGE
4. Managing and developing information systems to support critical business processes in 2001. Provide firm, capable and sustained leadership and organize effective technical support for the thorough reorientation and modernization of UNDP's information management systems.	* Urgently appoint or designate a qualified senior manager with leadership skills to act as Chief Information Officer (CIO) of the organization. Assemble under his/her leadership a multidisciplinary team, bringing together users from across the organization as well as information technology professionals and external experts. The tasks of the CIO and the team will be to: - Evolve a well-articulated information management strategy; - Review and recommend changes to ongoing information systems projects; - Prepare a tactical plan; - Undertake a requirements-gathering exercise across the organization; - Evaluate the implications of rapidly changing technologies for UNDP business processes; - Develop a capacity to manage the information chain on both the supply and the demand side, from data collection to the production of structured reports and publications; - Oversee collaboration with partners in the United Nations system working together towards a common set of procedures and standards; - Recommend systems that will meet the business needs of UNDP in 2001; - Provide corporate guidance to maximize the impact of scarce resources and end the present ad hoc nature of allocation of resources for systems development.
Further define and implement an Internet strategy covering all country offices as well as headquarters.	* Adopt and encourage "open", i.e. Internet, standards for document exchange and management and for e-mail and client services for use within UNDP and between UNDP and its partners in the United Nations and elsewhere. * Adopt the following targets for full access to the Internet by country offices: 60 per cent by mid-1997 and 90 to 100 percent by early 1998. In view of the different geographical realities within which UNDP operates and in order to ensure a secure system, an interim networking infrastructure - the Global Virtual Private Network - is necessary. This interim arrangement will prepare for the transition to a network fully based on the Internet. * Build national capacity to access the Internet through country offices, thereby empowering civil society to participate in decision-making. Prepare and provide country offices with a good start-up kit to promote improved understanding of the implications of the information revolution and its potential impact on the content and delivery of UNDP programmes.
Develop understanding among senior managers of the critical importance of sound investments in information technology to the future of UNDP.	* Information technology requires considerable funding. It should be recognized that resources spent on information technology can affect both the business functions and the development objectives of the organization.

ACTION REQUIRED	INITIATIVES FOR CHANGE
Information systems (cont'd)	* Encourage headquarters units and country offices to identify sponsors and funding partners for their development information needs, but without compromising organizational strategies, plans and independence. * The CIO/multidisciplinary team should, by the end of 1997, have evaluated the UNDP subregional information managers network and have restructured it to provide more continuous and stronger technical services to country offices. The evaluation should also cover information support available at headquarters.
Provide opportunities and incentives to all staff for skills development.	* Training on state-of-the-art information management should be instituted on an ongoing basis for managers both in country offices and at headquarters. This will raise awareness of the critical importance of information technology and its relationship to business needs and thus make the organization more information-sensitive. Staff training on information management - especially training of trainers and self-training - should be encouraged organization-wide. Staff incentives should be introduced through the PAR system to recognize progress to higher levels of information management and awareness.
5. Structure and infrastructure. Reinvent UNDP headquarters to reinforce essential UNDP 2001 services, principles and goals, including country-oriented SHD services, greater delegation and decentralization, strengthened management oversight, efficiency and accountability, active networking and more effective cross-unit collaboration. To that end, define the new roles of the Regional Bureaux and BPPS. Regional Bureaux	* Reorganize headquarters units broadly into corporate, operations and common services groups and push outward operations through delegation and decentralization. Empower country offices by placing decisions affecting management of operations closest to the point of action. * Adopt a ratio of one supervisor to seven direct supervisees at headquarters. * Decentralize substantive support to subregional resource facilities in order to achieve efficiency gains and to attune technical services to local conditions. (a) Regional Bureaux Focus functions of the Regional Bureaux on the holistic oversight of country office performance, a function at present not covered by any unit, and on management support and quality control. All other operational functions should be delegated to country offices. Regional Bureaux Directors should report to the Administrator through the Associate Administrator. The Regional Bureaux would be responsible for: - Promoting the success of UNDP as a whole through participation in the Executive Committee and otherwise, for ensuring the achievement of corporate objectives within the region; - Overseeing all aspects of country office performance, by assembling and maintaining a complete, up-to-date overview of UNDP operations, advocacy, coordination, staff performance, delivery and resource mobilization at the regional and country levels and by providing corporate management with consolidated monitoring reports; - Establishing, through collegial dialogue with country offices, strategies, goals and performance indicators for programme operations;

ACTION REQUIRED	INITIATIVES FOR CHANGE
Structure and infrastructure (cont'd)	- Monitoring country office compliance with defined indicators of management performance, including delivery, resource mobilization and the resident coordinator function; - Overseeing, assessing and guiding the effective preparation and management of country programmes; reviewing new advisory notes and CCFs; - Defining country office support requirements and providing effective support for meeting country office needs; - Providing a "one-stop" facility for country offices at headquarters; - Administering UNDP-managed resource networks in conjunction with the Bureau for Development Policy and Evaluation; - Providing country offices with management advice and guidance on regional strategy; - Developing regional perspectives and strategies and representation of UNDP within the region; formulation of the regional programme; - Mobilizing resources at the regional level; - Supporting the resident coordinator function within the region.

ACTION REQUIRED	INITIATIVES FOR CHANGE
Structure and infrastructure (cont'd) New Functions of the Policy Bureau	(b) BPPS BPPS would be renamed the Bureau for Development Policy and Evaluation. It would be responsible for: - Providing development policy leadership on SHD for the organization on the basis of lessons learned from operational activities and from rigorous analysis of global trends, risks and opportunities; in this context, conducting, supporting and publishing research and analysing various issues within the SHD framework, grounding such research in the country-level experience of UNDP and the needs of programme countries; - Supporting learning in UNDP by recycling lessons learned into policy and programme development and by ensuring its access to the best knowledge available worldwide; - Supporting the formation and functioning of SHD knowledge networks in each region to promote learning within UNDP through the sharing and transfer of global, regional and national field experience; best practice and development research; - Providing through the use of the knowledge networks and directly from headquarters, a quick referral service to country offices for acquiring expertise in formulating and monitoring programmes in SHD; - Monitoring and maintaining the quality and responsiveness of technical support available to UNDP country offices from the knowledge networks, jointly with the Regional Bureaux;
Policy Bureau	- Developing policies, strategies and methodologies in the main focus areas of UNDP and in emergency and relief-to-development situations; - Developing a series of well-defined global products and programme instruments within the focus areas of UNDP which can be adapted and applied at the country level; - Field-testing new development assistance products, working closely with selected country offices, in order to ensure that learning is based on development practice; - Leading the participation of UNDP in international development forums, by bringing field experience and best practice to advance the global development agenda and by supporting efforts to translate global compacts into operational policies; - Providing guidance on the direction and substance of global advocacy efforts of UNDP and supporting regional and national advocacy initiatives; - Promoting teamwork among UNDP staff engaged in policy, substantive, operational and media activities in order to maximize UNDP outreach to targeted constituencies; - Managing the global programme resources of UNDP in order to achieve these objectives and mobilizing further resources to this end.

ACTION REQUIRED	INITIATIVES FOR CHANGE
Structure and infrastructure (cont'd) Promote common interbureaux approaches and coordination in decision-making and day-to-day operations management at headquarters.	* Establish the Executive Committee as a collegial body to take management decisions on strategic direction, corporate planning and policy definition, including by: - Defining and setting corporate goals and objectives to achieve the UNDP mission of promoting SHD and monitoring the achievement of such goals and objectives within an overall planning framework that covers programme goals, programme resource assignment and budget and staffing policies; - Deciding on strategic directions for change based on an ongoing assessment of the external environment; - Ensuring that the contribution of UNDP to the United Nations system is commensurate with the mandate and assigned responsibilities of UNDP; - Adopting corporate operational policies; - Securing programme quality within the SHD framework; - Ensuring timely programme delivery based on consolidated monitoring reports; - Setting resource mobilization targets and ensuring their achievement; - Adopting a corporate information strategy; - Selecting and communicating the key development messages of UNDP.
Executive Committee Operations Support Unit	<u>Composition</u> The composition of the Executive Committee, as determined by the Administrator, should be the Administrator, the Associate Administrator, all Assistant Administrators, and others to be added by the Administrator. * A new unit, the Operations Support Unit (OSU) should be established to provide staff support to the Associate Administrator and Regional Bureaux Directors, in respect of interbureaux operational processes and day-to-day operations. Its main function will be to assist the Associate Administrator and the Regional Bureaux Directors to develop common priorities, guidance and instructions on all interbureaux and common issues, including programming.
Address decisively the need to harmonize corporate planning and resource management functions with UNDP goals and objectives and to strengthen the implementation of corporate decisions.	* A Bureau of Planning & Resource Management should be established. The new Bureau will support corporate decision-making by the UNDP Executive Committee. It will consolidate the organizational planning, budgeting, programme resource assignment, human resources policies and information management functions of UNDP into a unified corporate process. The integrated management of these functions will ensure that the resources and objectives goals of UNDP are matched and that corporate decisions are implemented through the Executive Committee. * The CIO function should be located in this Bureau.

ACTION REQUIRED	INITIATIVES FOR CHANGE
Structure and infrastructure (cont'd) Examine the functions of units reporting directly to the Administrator and reduce the number of such reports.	* Associated Funds, i.e., the United Nations Development Fund for Women (UNIFEM), the United Nations Capital Development Fund (UNCDF), the United Nations Volunteers (UNV) and the Special Unit for Technical Cooperation among Developing Countries (TCDC) should be part of the operations group.
Evaluation	* In view of the strong policy linkage between evaluation, learning and knowledge-based policy development, Evaluation should be established as a separate office within the Bureau for Development Policy and Evaluation (BDPE). The Director of the Office of Evaluation should report to the Assistant Administrator and Director of BDPE. She/he should be responsible, inter alia, for: - Identifying, initiating and managing policy, impact and strategic evaluations; - Evaluating the impact of UNDP-funded programmes and their contribution to capacity development; - Promoting the use of evaluation findings in policy and programme formulation; - Developing clear guidelines to assist programme managers to monitor and evaluate programmes; - Monitoring compliance with mandatory evaluations programme-wide and issuing an annual compliance report to the Executive Board; - Providing the Administrator with concrete proposals to improve the quality of UNDP programmes.
Office of Development Studies	The Office of Development Studies (ODS) has major roles to play within the new BDPE and should be integrated into it with its functions intact. United Nations coordination support should remain in the Office of United Nations Support and Services (OUNS), reporting to the Administrator.

ACTION REQUIRED	INITIATIVES FOR CHANGE
Structure and infrastructure (cont'd)	
Strengthen the Division of Audit and Management Review as the basis of a strong central oversight function linked to strategic decentralization.	* The Division of Audit and Management Review should be expanded to become the Office of Audit and Performance Review (OAPR). Its Director should report to the Administrator and be accountable for ensuring the periodicity, reliability, scope and proactive character of regular and independent internal audits of the financial, managerial and programme activities of UNDP, including those of headquarters units and UNDP trust funds. The Office should continue to provide the Executive Director of UNFPA with regular and independent reviews of the administration of that organization. In addition, OAPR should conduct audits of UNOPS financial, management and operational activities funded by UNDP. * The Director of OAPR should have responsibility for conducting periodic comprehensive audits of country offices and headquarters units that cover not only finance but UNDP management and programme performance as well. * The Director of OAPR should be responsible for developing, in collaboration with other units, a system for implementing the UNDP new accountability framework through ex-post controls. * The Office should administer the relevant provisions of that framework to ensure that: - Operations are in compliance with existing legislation; - Internal controls are sufficient to secure the assets of the organization; - Managers and individual staff are held responsible for the cost-effective and appropriate use of the financial, human and other resources of UNDP. * The OAPR should act on the understanding that administrative, financial, staffing and programme matters are closely interrelated. Accordingly, it should review and, as required, investigate the application of the UNDP accountability framework across the organization's principal management systems.
Audit	* The OAPR should maintain a special focus on nationally executed projects, establish criteria for regular audits, monitor and investigate the effective discharge of Government audit functions and analyse the follow-up to audit findings. It should also conduct audits of project management services financed from core and non-core resources and provided through UNOPS.

ACTION REQUIRED	INITIATIVES FOR CHANGE
Structure and infrastructure (cont'd) Improve headquarters central services.	* Common financial and administrative services should be placed within a single multi-purpose area in order to encourage efficiencies of integration and automation, economies of scale, and improved service levels within UNDP and the United Nations system as a whole. Such functions should therefore be integrated within a bureau for financial and administrative services, with responsibility for: <u>Finance</u> - Accounts - Treasury - Financial administration - Funds control <u>Administration</u> - Assets management - Travel services - Logistical services to headquarters and country offices - Data and records management - Processing large-scale contracts for approval <u>Information Technology</u> - Servicing of local area networks at headquarters and technical support to units; - Facilitating UNDP Internet efforts through hardware and software support under the Internet Task Force; - Country office automation, common computer and communications system architecture and software/hardware standards.